

## HOW DO I PUT A PRICE ON MY HOME?

The typical home ownership selling cycle is five to seven years, although this is lengthening in many areas of Queensland following the recent mining downturn.

When someone decides to sell their home one of the decisions they must eventually make is to set a price for their home.

It's important to understand that there is no exact science to setting price. There are many factors that go into what the price could be but ultimately it's the market that will decide.

The first step is usually to begin your research online. There are websites that will reveal the price that similar homes in your area, or even your street, recently sold for. All of the major listings portals have 'sold' sections where you can start looking at homes in your street or their area and see their last sale price.

**Tip:** Make sure that when you make your list of recent sales, you only go back a maximum of six months. Anything older than that and the numbers will be stale as the market has likely shifted in that time.

**Tip:** If you live in areas that are experiencing rapid change in property prices, don't look at any sales data older than about 12 weeks.

**Tip:** Don't fall into the trap of thinking that the home a few doors down is similar to yours and therefore should sell for the same price. They may have renovated inside or have backyard features that you can't see from the street that add value to the sale price.

**Tip:** Be very wary of the price you get from an automated valuation model. Sites that use AVMs are using an algorithm to come up with an estimated value for your property and this can vary widely from app to app. Algorithms can't replace a human valuation, which will always be more accurate and reliable.

**Tip:** Buyers should also be wary of relying on AVMs when negotiating with the sales agent. AVMs are not as accurate as comparative market analysis, which is a collection of similar properties and their sold price.

After doing some online research, the next step is to begin interviewing agents who will help you refine your price and let you know how realistic your expectations are. Choose an agent who is very experienced in your area. This skilled person is an expert and will know the market intimately and will be able to fine-tune your education, helping you settle on an achievable price for your home.

Be aware that most home owners look at their home through rose-coloured glasses and when they compare their home with nearby homes that sold well, affection for their own family home can blind them to differences, flaws and any issues that might affect price. Trust your agent and the advice that they give you.

If you have a truly unique property, it is going to be even more important to choose a highly experienced and skilled agent because online research is going to be limited and you will be relying on the agent's expertise and knowledge of the marketplace to set your price.

This castle at Mt Crosby, is one such unique property: <http://www.realestate.com.au/property-house-qld-mount+crosby-118643847>

The seller based their asking price on the cost of building their fort, but in the end, the market will decide what this very unusual building is worth.

When highly unusual houses are being put on the market, it's often best to go to auction or to choose to sell by expression of interest. These are good ways to let the market set the price for the property.

Also, when trying to set a price, bear in mind that people don't always behave rationally when it comes to buying a property. Some people will pay above market value to be in a particular school catchment, or to be near parents, or near family and friends. We have seen examples of people spending an additional \$10,000 or so on the property within the State High catchment because they know they can save on private school fees if their children attend the public school.

Finally, when selling your property and trying to achieve the best possible price, always share personal anecdotes about the property with your sales agent. Tell them how refreshing the spring breeze is that flows through the house from September to December. Share the stories of the tree in the backyard that keeps the yard shady and cool for young kids to play in all summer long. These stories help the agent show the real value of the home and get buyers closer to what the home is worth.

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